

**MINUTES
RECESS MEETING OF CITY COUNCIL
Diamondhead, Mississippi
Council Chambers, City Hall
October 25, 2016
6:00 p.m. CST**

DRAFT

I. Call to Order –Mayor Schafer called the meeting to order at 6:05 p.m.

1. Roll Call –

Present: Mayor Schafer, Councilmember Depreo, Woolbright, Knobloch, Sislow and Rech- present via teleconference. Absent: None.

2. Confirmation or Adjustment of the Agenda Order – Councilmember Knobloch moved, seconded by Councilmember Sislow, to accept and approve the agenda with the following addition:

2017-017– Motion to accept the quote in the amount of \$2,638.00 from Coast Electric Power Association for the installation of lights along the new access road.

A roll call vote was taken as follows:

Ayes: Depreo, Woolbright, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: None.

MOTION CARRIED

3. Public Comments on Agenda Items- None

II. Sam Atkinson – Department of Audit – Performance Audit Final Report

Sam Atkinson, Director of Performance Audit for the Office of the State Auditor provided the Mayor and Council the draft Performance Audit Final Report. Following the outline of the report, she reported in each area of performance as follows:

Operations	Workflow and Staffing
Policies and Procedures	Procurements and Property Control
Contracts	Cash Management
Grants	Services Long-Term

Atkinson reported the Office of the State Auditor found through interviews and observation, that the Council of Diamondhead is highly qualified and are performing their duties as required by law. They have a long-term vision for their community and while they may not always agree on

details, they certainly all agree they want a strong, vibrant community where everyone can feel welcome. OSA found the City Manager and his staff to be highly professional, well organized, easy to work with, competent and with a high degree of skill and integrity. In each of the areas that OSA reviewed, there were minor recommendations or adjustments that would improve operations.

However, OSA found no non-compliance with any State or federal regulations during its fieldwork phase. Grants, contracts, procurements, and property control were all adequate to meet known requirements. Cash management and workflow have room for improvement based on a lack of staffing at this time. OSA auditors and the City Attorney are working with the City Manager to ensure that controls are sufficient to protect the city’s interests and the citizens’ taxes.

This report contains a number of recommendations based on non-material findings that should help strengthen any needed areas of administration. Also, this report provides some additional information to better understand the need for internal controls.

While no organization is perfect and situations change on a sometimes daily basis, OSA sees tremendous potential for Diamondhead if the Council and the Manager remains on such a path toward constructive, positive growth and interactions on behalf of the community.

III. Public Comments on Non-Agenda Items – None

IV. Adjourn

At 6:47 p.m. CST Councilmember Knobloch moved, seconded by Councilmember Depreo, to adjourn.

A roll call vote was taken as follows:

Ayes: Depreo, Woolbright, Knobloch, Sislow, Rech and Mayor Schafer. Nays: None. Absent: None.

MOTION CARRIED

Thomas E. Schafer, IV
Mayor

Jeannie Klein
City Clerk